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SUBJECT: MIN COMMERCE IPR TASKFORCE RAMPS UP, SEPTEMBER
CONFERENCE PLANNED

1. (SBU) Summary: During a July 18 meeting with Ministry of Commerce Inspection Department Director Mansour Al-Nazhan, we heard about increased IPR enforcement activity on the part of a newly created "task force" to combat intellectual property theft. While the six-month old task force does not have the power to make arrests, it can seize and confiscate pirated goods, and can refer crimes to the public prosecutor for fines and arrests. Al-Nazhan said that the Ministry of Commerce still needed more cooperation from other ministries, but hoped that a new inter-agency committee formed by the Council of Ministers would rectify some of these shortcomings. He complained that the IFPI was "talking bad about Kuwait" without providing the needed cooperation, and said that his inspectors needed more training in spotting fake or counterfeit products in the marketplace. He invited Embassy and/or USPTO participation in a September conference that would be geared towards educating the public on IPR issues. End Summary.

Min Commerce Task Force Gets Into IPR Enforcement

2. (SBU) Econ Officer met July 18 with Ministry of Commerce Inspection Department Director Mansour Al-Nazhan, who has been given the mandate to establish a new task force designed to carry out IPR enforcement. He said that he is in charge of all of the Ministry of Commerce task forces for each governorate within Kuwait. His task force does not have the power to make arrests, he explained, but can refer cases to the public prosecutor. His inspectors can seize and confiscate counterfeit goods and he displayed a paper chart that his task force uses to track all of the seizures, by neighborhood and type of goods seized. He said that his inspectors usually start by grabbing "the small guys on the street" and then "pressing" them to find their supplier. He said that his task force usually informs the local agents of the IPR holders of the violations, except for Microsoft, who he deals with directly through its office in Kuwait. The counterfeit goods are destroyed, he said, after the attorney general gives his permission.

Crackdown Having Mixed Results

3. (SBU) Al-Nazhan said that 70% to 80% of the piracy and counterfeit goods in Kuwait were being sold "by Pakistanis and Indians, like gangs," and said that the ones on top of the chain actually make a lot of money and live very well, "in very nice apartments." He added that some Kuwaitis were involved, but that with the increased pressure on IPR violators, many of the Kuwaitis "had gotten out of the game." He said that the small-timers had become much more careful and that most don't get caught twice. He said that the dealers just show very small quantities of counterfeit goods to potential customers now, rather than laying out all of their wares.

More Cooperation and Training Needed

4. (SBU) More cooperation was needed with the Ministry of Interior, Al-Nazhan said, in order to get serious about IPR enforcement on the street. He noted that the Council of Ministers had formed an inter-agency committee on IPR and he hoped that the efforts would be more unified through this committee. He agreed with our assessment that the Ministry of Information has been deficient in its IPR protection and enforcement duties, but hoped it would be better "with recent changes at the Ministry." Al-Nazhan said that the Ministry of Commerce was not really providing any training for his inspectors and that he needed more training in how to spot counterfeit products. He said that some private companies have sponsored training seminars in Dubai but that more were needed. He also said that he felt that the International Federation of the Phonographic Industry (IFPI) had been "talking bad about Kuwait without reason" and that the IFPI was "not cooperating" with him in his requests for original source material with which to compare the counterfeit goods.

15. (U) Al-Nazhan said that his task force was also going after other counterfeit goods, such as auto parts and pharmaceuticals. Inspection and enforcement for auto parts was difficult, he said, because you can have legitimate "generic" or off-brand spare parts, as long as they don't carry a trademark violation by claiming they are genuine spare parts if they are not. He said that pharmaceuticals is becoming an area of increasing concern, and he showed us a bottle of fake Viagra that his inspectors had seized. He said that "an Arab national" was caught distributing the fake Viagra to pharmacies "all over the country." Finally, Al-Nazhan said that the Ministry of Commerce and the Kuwaiti Lawyers Association would be sponsoring a conference in September on IPR and would aim to educate the public with statistics and displays of counterfeit products. He welcomed Embassy and/or USPTO support and participation.

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